

SETTLEMENT AGREEMENT

I. BACKGROUND

THIS SETTLEMENT AGREEMENT (the "Agreement") is made and entered into by and between Setpoint Systems, Inc. ("Respondent") and the United States Department of Justice, Civil Rights Division, Immigrant and Employee Rights Section ("IER").

WHEREAS, on May 11, 2017, IER notified Respondent that it had initiated an independent investigation, DJ # 197-77-123 ("Investigation"), to determine whether Respondent had engaged in unfair immigration-related employment practices prohibited under 8 U.S.C. § 1324b (the "Act").

WHEREAS, IER has concluded based upon the Investigation that there is reasonable cause to believe that between August 2015 and June 2017, Respondent engaged in a pattern or practice of limiting its hiring for professional positions to United States citizens, without legal justification, in violation of the Act.

WHEREAS, this Agreement is not an admission of violations or wrongdoing of any kind on the part of the Respondent.

WHEREAS, IER and Respondent wish to resolve the Investigation without further delay or expense and hereby acknowledge that they are voluntarily entering into this Agreement.

NOW, THEREFORE, in consideration of the mutual promises contained below, and to fully and finally resolve the Investigation as of the date of this Agreement, the parties agree as follows:

II. TERMS OF SETTLEMENT

1. This Agreement becomes effective as of the date of the last signature on the Agreement, which date is referenced herein as the "Effective Date." The "term of this Agreement" shall be three years following the Effective Date.
2. Respondent shall pay a civil penalty to the United States Treasury in the amount of \$17,475.
3. The monies discussed in paragraph 2 shall be paid via the FedWire electronic fund transfer system within ten (10) business days from the effective date of this Agreement or receipt of fund transfer instructions from IER, whichever is later. On the day of payment, Respondent shall confirm via email to Luz Lopez-Ortiz and Michaela Olson at luz.v.lopez-ortiz@usdoj.gov and michaela.olson@usdoj.gov that payment was made.
4. This Agreement resolves any and all differences between the parties relating to the IER Investigation through the Effective Date. The provisions of paragraph two (2) notwithstanding, IER shall not seek from Setpoint any additional civil penalty for the

pattern or practice of citizenship status discrimination in violation of 8 U.S.C. § 1324b that is the subject of the Investigation through the Effective Date.

5. Respondent shall not discriminate based on citizenship or immigration status, or national origin, in hiring, firing, recruitment or referral for a fee, and the employment eligibility verification and re-verification processes, as required by 8 U.S.C. § 1324b. Respondent shall not include or employ hiring restrictions based on citizenship status unless required or permitted by law, regulation, executive order, or government contract. Respondent shall not intimidate, threaten, coerce, or retaliate against any person for his or her participation in this matter or the exercise of any right or privilege secured by 8 U.S.C. § 1324b.
6. Respondent shall ensure that its recruitment of candidates for professional positions includes recruitment methods and venues designed to reach potentially qualified members of all citizenship or immigration status groups, who are authorized to work in the United States without the need for sponsorship, including by participating in job fairs intended to reach a variety of populations, partnering with college and/or university affinity groups serving work-authorized non-citizen populations, and documenting and reporting its efforts to IER on a biannual basis, starting no later than nine (9) months after the Effective Date, for the term of this Agreement.
7. Respondent shall post an English and Spanish version of the IER's "If You Have The Right to Work" poster ("IER Poster"), in color and measuring no smaller than 18" x 24", an image of which is available at <https://www.justice.gov/crt/page/file/926651/download>, in all places where notices to employees and job applicants are normally posted. The IER Poster will be posted within fourteen (14) days from the effective date of this Agreement and will remain posted for three (3) years thereafter.
8. Within sixty (60) days of the Effective Date, all Human Resources Personnel shall review its policies, training materials, and/or internal guidelines relating to hiring, firing, and/or other nondiscrimination based on citizenship status and national origin. To the extent necessary and appropriate, Respondent shall revise its policies, materials and guidelines to:
 - (a) prohibit unlawful discrimination on the basis of citizenship or immigration status or national origin in the recruitment, hiring or firing processes, including for employment to work on matters that involve materials covered by International Traffic in Arms Regulation ("ITAR");
 - (b) include citizenship, immigration status, and national origin as prohibited bases of discrimination under its policy and any similar Equal Employment Opportunity (EEO) statements Respondent includes in printed or electronic materials available to the public or employees;
 - (c) refer applicants and employees who complain, formally or informally, of discrimination in the hiring or firing processes on the basis of citizenship status or national origin to the Immigrant and Employee Rights Section by: i) directing the affected individual to the IER Poster, IER's worker

hotline (800-255-7688) and website (justice.gov/ier), and ii) advising the affected individual of his or her right to file a charge of discrimination with the Immigrant and Employee Rights Section; and
iii) prohibiting retaliation, intimidation or reprisal against an employee or applicant for having opposed any employment practice made unlawful by 8 U.S.C. § 1324b, or for filing any charge, or participating in a lawful manner in any investigation or action under 8 U.S.C. § 1324b.

9. Within thirty (30) days of the Effective Date, Respondent shall submit to IER for IER's review and approval a written plan to provide training to any of Respondent's employees who have any role in recruiting or hiring, in accordance with the following requirements:
 - (a) The training required under this paragraph shall focus on the nondiscrimination requirements of 8 U.S.C. § 1324b, the impact of those requirements on employment restrictions based on citizenship or immigration status, and the difference between hiring restrictions and the licensing requirements for specified individuals under ITAR.
 - (b) The training plan shall include, at a minimum, participation in a free internet-based and/or recorded IER webinar. Respondent's plan may incorporate, at Respondent's discretion, additional training that is consistent with the training approved by IER under this paragraph. All employees will be paid their normal rate of pay, and the training will occur during their normally scheduled workdays and work hours.
 - (c) Respondent shall bear all costs associated with these training sessions. For a period of three years from the Effective Date, all new Human Resources Personnel hired by Respondent after the training described in this paragraph has been conducted shall attend an Immigrant and Employee Rights Section Employer/HR webinar within sixty (60) days of hire or promotion.
 - (d) Within thirty (30) business days of a member of Respondent's Human Resources Personnel completing the training described in this paragraph, Respondent shall certify completion of the training by providing the participant's full name, title, and the date training was completed via email to luz.v.lopez-ortiz@usdoj.gov and michaela.olson@usdoj.gov.
10. Respondent shall ensure that all postings or advertisements for any employment positions, including those advertised electronically through a third party, have been reviewed by an employee of Respondent who has been trained in equal employment opportunity laws, including § 1324b's prohibition on citizenship, immigration status and national origin discrimination, or by legal counsel with such expertise, before making such pages, postings or advertisements available to the public.
11. During the term of this Agreement, IER reserves the right to make reasonable inquiries to Respondent necessary to determine Respondent's compliance with this Agreement. Respondent shall timely respond to such inquiries. As a part of such review, IER may

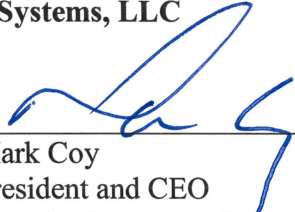
require written reports concerning compliance, inspect Respondent's premises, examine witnesses, and examine and copy Respondent's documents at the expense of IER.

12. If IER has reason to believe that Respondent is in violation of any provision of this Agreement, IER shall promptly notify Respondent of the purported violation. Respondent will then be given a thirty (30) day period from the date IER provides such notice to cure the violation to IER's satisfaction before IER deems Respondent to be in violation of this Agreement.
13. Notwithstanding any other provision in this Agreement, this Agreement does not affect the right of any individual to file a charge alleging an unfair immigration related employment practice against Respondent with IER, IER's authority to investigate or file a complaint on behalf of any such individual, or IER's authority to conduct an independent investigation of Respondent's employment practices.
14. This Agreement may be enforced in the United States District Court for the District of Utah or another Court of competent jurisdiction. Nothing in this paragraph or Agreement shall be construed or interpreted as a waiver of sovereign immunity, or any other jurisdictional defense the United States might have to a claim for enforcement or a counterclaim by Respondent.
15. IER and Respondent agree that, as of the Effective Date, litigation concerning the violations of 8 U.S.C. § 1324b that IER has reasonable cause to believe that Respondent committed is not reasonably foreseeable. To the extent that either party previously implemented a litigation hold to preserve documents, electronically stored information, or things related to this matter, the party is no longer required to maintain such a litigation hold. Nothing in this paragraph relieves either party of any other obligations imposed by this Agreement.
16. Should any provision of this Agreement be declared or determined by any court to be illegal or invalid, the validity of the remaining parts, terms or provisions shall not be affected thereby and said illegal or invalid part, term or provision shall be deemed not to be a part of this Agreement. Respondent and IER agree that they will not, individually or in combination with another seek to have any court declare or determine any provision of this Agreement invalid. This Agreement shall be deemed to have been drafted by both Parties and shall not be construed against any one party in the event of a subsequent dispute concerning the terms of the Agreement.
17. IER and Respondent agree to bear their own costs, attorneys' fees and other expenses incurred in this action.
18. This Agreement sets forth the entire agreement between the Respondent and IER and fully supersedes any and all prior agreements or understandings between the parties pertaining to the subject matter herein. Any modification of this Agreement shall be executed in writing by the parties.

19. This Agreement may be executed in multiple counterparts, each of which together shall be considered an original but all of which shall constitute one agreement. The parties agree to be bound by facsimile signatures.

Setpoint Systems, LLC

By:

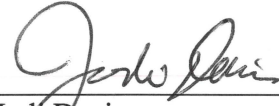


Mark Coy
President and CEO
Setpoint Systems, LLC

Dated: 6/14/18

Immigrant and Employee Rights Section

By:



Jodi Danis
Special Litigation Counsel

Dated: 6/19/18

Sebastian Aloom
Special Litigation Counsel

Luz Lopez-Ortiz
Trial Attorney

Michaela Olson
Paralegal Specialist